

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Agriculture and Cooperation Department – Horticulture- Oil Palm – Fixation of formula for the pricing of Oil Palm Fresh Fruit Bunches (FFBs) with effect from November 1st, 2013 to October 31, 2014 (Oil Year) – Orders- Issued.

AGRICULTURE AND COOPERATION (HORTI) DEPARTMENT

G.O.Ms.No. 110

dated: 13th December, 2013

Read the following:-

1. Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act, 1993
2. G.O.Ms.No.222, Agriculture & Cooperation (Horti) Department, dated:01.08.2008
3. G.O.Ms.No.34, Agriculture & Cooperation (Horti) Department, dated:29.02.2012.
4. From the Additional Secretary, Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, New Delhi D.O.Lr.No.12-22/2010(TMOP)-33 dated:02.02.2012
5. D.O.Lr.No.1687/Horti/A2/2012 dated 18.05.2012 of APC & Principal Secretary, Government of Andhra Pradesh addressed to Additional Secretary, Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, Krishi Bhawan, New Delhi.
6. From the Under Secretary, Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, Lr.F.No.12-22/2010-(TMOP)-376 dated:13.08.2013.
7. From the Deputy Secretary, Government of India, Ministry of Agriculture, Department of Agriculture and Cooperation, New Delhi, dated:07.11.2013
8. Minutes of the Meeting held on 05.11.2013 regarding representation of Oil Palm Developers and Processors Association on the formula for pricing of FFB of Oil Palm under the Chairmanship of Secretary (A&C) received from the Deputy Secretary, Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, New Delhi, Lr. F.No.12-22/2010(TMOP)-587, dated:08.11.2013, together with its enclosures.

ORDER:

For the regulation of the production and processing of Oil palm, the Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act was enacted on 23rd January, 1993, wherein under section 13(1) of the Act, the Government is empowered on their own to fix the minimum price of Oil Palm Fresh Fruit Bunches (FFBs) or may authorize the Oil Palm Commissioner to do so, subject to such guide lines as they may give in that regard from time to time.

2. In the G.O. 2nd read above, orders were issued for fixing the formula for the Oil Palm Fresh Fruit Bunches (FFBs) pricing as follows:

“12% of the CPO price (realized by AP OILFED) + 33% of the realized value of the Palm Kernel Oil (PKO) and Palm Kernel Cake (PKC) to be implemented with effect from 01.08.2008 and accordingly the Fresh Fruit Bunches prices have to be fixed from the Quarter beginning 01.08.2008. ”

3. Subsequently, the Government modified the above said formula as “12% value of CPO (realized by AP OIL FED) + 33% of 9% realized value of Palm Nuts” vide reference 3rd read above.

4. In the reference 4th read above, the Government of India forwarded the report of the Commission for Agricultural Costs and Prices (CACP) which suggested a formula for the pricing of Fresh Fruit Bunches (FFBs) of Oil Palm that would be applicable in all the States uniformly and requested the State Government to give their comments on the report.

5. Accordingly, the Government of Andhra Pradesh furnished their views accepting the report of the Commission for Agricultural Costs and Prices (CACP), particularly with reference to the formula suggested for the fixation of the pricing of Oil Palm Fresh Fruit Bunches (FFBs) vide reference 5th read above.

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6. In the reference 6th read above, the Government of India recommended the formula for pricing of Fresh Fruit Bunches (FFBs) of Oil Palm as follows:-

“ 13.54 percent of net Crude Palm Oil (CPO) weighted average price, based upon 18% Oil Extraction Ratio (OER), plus 75.25 percent on 9% recovery of palm kernel nuts weighted average price. Any variation in OER would result in change in the pricing formula in respect of percent of net CPO weighted average price to be paid to the oil palm growers as per enclosed Table at Annexure.

The OER would be determined as per actual oil content extracted in the past by the processing industry, as established by the State Governments concerned ”.

The Table enclosed as Annexure as mentioned above is as follows:

Sl.No.	OER (%)	Percent of net CPO weighted average price
		75:25
1	14.00	10.53
2	14.50	10.91
3	15.00	11.29
4	15.50	11.66
5	16.00	12.04
6	16.50	12.42
7	17.00	12.79
8	17.50	13.17
9	18.00	13.54
10	18.50	13.92
11	18.70	14.07
12	19.00	14.30
13	19.50	14.67
14	19.70	14.82
15	20.00	15.05
16	21.00	15.80
17	22.00	16.55
18	23.00	17.31
19	24.00	18.06

7. After receipt of the reference 6th cited, the Government of Andhra Pradesh convened a joint meeting on 03.09.2013, with Oil Palm Developers and Processors Association (OPDPA), AP State Oil Palm Farmers Welfare Association (APSOPFWA) and AP OILFED to discuss about the implementation of this formula.

8. Further, the Government of India under the Chairmanship of the Secretary, Ministry of Agriculture, Department of Agriculture & Cooperation, New Delhi conducted a meeting on 05.11.2013 at New Delhi to discuss the representation received from the AP Oil Palm Developers and Processors Association on the formula for the pricing of Fresh Fruit Bunches (FFBs) of Oil Palm. After due deliberations, the Government of India communicated the following instructions to the State Governments, vide reference 7th read above, stating that “ the State Governments may go head with the operationalisation of the pricing formula for Fresh Fruit Bunches (FFB) as per recommendation of this Department contained in the letter of even reference dated 13.08.2013. The meeting held in this Department on 05.11.2013 may not be construed as re-opening of this matter ”.

9. In the reference 8th read above, the Government of India also forwarded the minutes of the meeting held on 05.11.2013 under the Chairmanship of the Secretary (A&C), Government of India, Ministry of Agriculture, Department of Agriculture & Cooperation, New Delhi, regarding the representation of the Oil Palm Developers and Processors Association on the formula for pricing of FFBs of Oil Palm.

10. Subsequently, a joint meeting was again convened by the Government of Andhra Pradesh on 30.11.2013 with the Oil Palm Developers and Processors Association (OPDPA), A.P State Oil Palm Farmers Welfare Association (APSOPFWA) and AP OILFED and detailed deliberations were held on all the issues and views expressed by all the stakeholders in the matter.

11. After taking into consideration all the above facts and circumstances, and after careful examination of the matter, Government hereby under section 13 (1) of the Andhra Pradesh Oil Palm (Regulation of Production and Processing) Act,1993, while accepting the formula received

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from the Government of India vide reference 6th cited, and the observations of the Government of India vide references 7th & 8th read above, fix the following formula for the pricing of Oil Palm Fresh Fruit Bunches (FFBs) with effect from November 1st, 2013 to October 31, 2014 (Oil Year) :-

“ 13.09 percent of net Crude Palm Oil (CPO) weighted average price (based on the actual, average OER of 17.38% rounded to 17.40% recovered for the Oil Year 2012-13 by AP OILFED) plus 75.25 percent on 9% recovery of Palm Kernel nuts weighted average price, realized by AP OILFED ”.

12. The Commissioner of Horticulture, Hyderabad shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

RANJEEV R. ACHARYA
APC & PRINCIPAL SECRETARY TO GOVERNMENT

To

The Commissioner of Horticulture, Hyderabad
The Managing Director, AP OILFED, Hyderabad
Copy to :
The Oil Palm Developers and Processors Association (OPDPA)
The AP State Oil Palm Farmers Welfare Association (APSOPFWA)
The P.S. to Special Secretary to Chief Minister
The P.S. to APC & Principal Secretary to Government
The P.S to Minister (Horticulture)
Sf/sc

// FORWARDED : : BY ORDER//

SECTION OFFICER